



ONE SCOTTSDALE

Amendment to PRC Development Standards
PROJECT NARRATIVE
Case # 815-PA-2005

I. PROJECT OVERVIEW

A. OVERVIEW OF REQUEST

One Scottsdale Holdings LLC, an Arizona limited liability company, (“DMB”) developer of One Scottsdale, requests an amendment to the amended development standards approved for the Stacked 40’s project¹ (“ADS”) and the associated Development Agreement, dated November 19, 2002 (the “Development Agreement”). The purpose of the request is to modify the ADS and the Development Agreement to incorporate refined planning concepts that have resulted from more detailed design and planning of One Scottsdale (the “Amendment”). The subject property is located at the northeast corner of Scottsdale Road and the Loop 101 freeway, extending north to Thompson Peak Parkway (the “Property”), within the City of Scottsdale (the “City”). A Vicinity Map is attached at ***Tab 1***. The Property is owned by Corrigan Real Estate Investment, LLC, an Arizona limited liability company and Corrigan Land & Livestock Company, LLC, an Arizona limited liability company (collectively, the “Corrigans”). DMB intends to enable and facilitate the development of the Property in conjunction with the Corrigans.

B. OVERVIEW OF ONE SCOTTSDALE

One Scottsdale will be the first major commercial, mixed-use development north of the Loop 101 freeway on Scottsdale Road within an area of the City designated as a Regional Use Corridor. It is anticipated that One Scottsdale will be a successful community drawing from the adjacent residential communities, and north Scottsdale residents, as well as the neighboring municipalities and tourists. At build-out, it is anticipated there will be approximately 1.8 million square feet of commercial, office, and retail uses, 1,100 residential units, and 400 hotel units in conformance with the zoning approved by the City in 2002.

One Scottsdale is envisioned to be a vibrant and energetic destination with active daytime and night-time uses in addition to the residential components. Business and professional offices,

¹ The project was originally referred to as the Stacked 40s, but has been re-branded as “One Scottsdale”.

anchored by the Dial Corporation's world headquarters, as well as commercial and retail establishments that cater to the daytime users and area residents will be important components of One Scottsdale. There will also be a variety of restaurants providing lunch, dinner, and entertainment to encourage active gathering areas.

C. BACKGROUND

In November 2002, the City Council unanimously approved a rezoning of the Property from the R1-35 to the Planned Community District ("PCD") zoning district with the comparable Planned Regional Center ("PRC") amended development standards (the "2002 Case").² In addition, the Development Agreement was entered into which is the governing document for the development of the Property. The PRC amended development standards were chosen to allow for the development of an "... integrated, mixed-use development with a unique mix of employment, retail, hotel and residential uses." The vision for One Scottsdale was premised on the concept of creating an interconnected, pedestrian environment in an up-scale, north Scottsdale location. The goal of the One Scottsdale team during the 2002 Case and now is to create a development unique to Arizona in a manner that integrates "... commercial, employment and residential uses in a design that allows each of these uses to enhance and complement the other." Lower intensity residential uses were planned and designated at the northeast corner of the Property with office uses along the Scottsdale Road corridor. The lower intensity uses were planned to be located north of Center Drive (referred to as "Planning Unit III") with the higher intensity portions of the Property located south of Center Drive (referred to as Planning Unit II). A Planning Unit graphic is attached at *Tab 2*.

Use of the term "One" in part denotes its location to an important freeway (Loop 101) as well as the concept that this project will stand alone in its unique qualities and be a "one-of-a-kind" luxury retail, office and residential community.

In conformance with the 2002 Case, five (5) master plans have been prepared, submitted and approved by the City. Those are the Master Water, Wastewater, Drainage, and Transportation Plans as well as the Master Environmental Design Concept Plan. In addition the Development Review Board has approved a conceptual site plan for Planning Unit II.

D. OVERVIEW OF DEVELOPER

DMB is a diversified real estate investment and development firm recognized for its creation of exceptional residential, commercial and mixed-use projects. Since its inception in 1984, DMB has been a major developer and owner of commercial real estate in Scottsdale and throughout the metropolitan Phoenix area. DMB has distinguished itself as one of the nation's premier commercial and master planned community developers by successfully creating high quality, cutting-edge communities that respond to the needs and desires of residents, tenants, visitors, and

² The 2002 Case included an additional 40 acres of land located south of Loop 101, and referred to as Planning Unit I, which has been sold and is not a part of One Scottsdale.

the environment. Some of DMB's developments which exemplify DMB's commitment to excellence include DC Ranch and Silverleaf in Scottsdale, Verrado in Buckeye, Marley Park in Surprise, and Ladera Ranch in Orange County. DMB is also the developer of high quality second home and golf communities such as Forest Highlands in Flagstaff, Lahontan in Tahoe, California and Santa Luz in San Diego, California. The Kukui'ula community in Kuau'i, Hawaii is currently in the development stage. DMB's vision is that its developments endure as meaningful and memorable places for people and importantly, create legacies for the communities in which they are located.

E. OVERVIEW OF DESIGN TEAM

To execute One Scottsdale, DMB has assembled one of the finest architectural and design teams in the United States, with both prominent local and internationally renowned design professionals. Design Architects include *Will Bruder* (Will Bruder Architects), a prominent local Phoenix architect whose accomplishments include design of the Phoenix Central Library, which is considered one of the iconic buildings of late 20th century design. He has received the Prestigious Chrysler Design Award as was recently a William Henry Bishop Visiting Professor at the Yale School of Architecture. Scottsdale architect *Dale Gardon* is also a member of the design team and specializes in the concept and design of regionally-responsive master planned communities, mixed-use developments, and luxury custom residential projects. His firm was one of the lead designers for Verrado and also created such luxury residential developments as Silverleaf, DC Ranch and Desert Mountain. *DFD CornoyerHedrick*, a third Phoenix-based company is also part of the design team and has created such Valley landmarks as the Camelback Esplanade, FFCA Corporate Headquarters, 3131 Camelback, The Shops at Gainey and FINOVA Corporate Headquarters, as well as a variety of other mixed-use and multi-use facilities. The firm has received numerous awards and was recognized as the Architectural Firm of the Year by NAIOF.

In addition to the above noted Phoenix design professionals, *Robert A. M. Stern*, a noted New York architect, author, and scholar is a member of the design team. He is one of the master planners for the community of Celebration in Florida and also designed many buildings for The Walt Disney Company. Stern has served as Dean of the Yale School of Architecture since 1998.

Three Architects, a Dallas-based firm which specializes in four and five star hotels, resorts, county clubs, spas, senior living and residential accommodations is part of the design team as well. Three Architects has designed distinctive projects spanning the globe with an unparalleled reputation for such unique projects as L'Ermitage, The Mansion and El Dorado Country Club.

Environmental sensitivity is a hallmark of San Francisco-based *BAR Architects*, an architectural, interior design and planning firm that excels in mixed-use, entertainment venues, wineries, restaurants/retail and residential housing. The firm has received more than 170 design awards, including a Presidential Citation and Recognition by the American Institute of Architects California Council.

Field Paoli will serve as the master-plan architect responsible for maintaining the overall design and architectural integrity of the project. Known for balancing leadership with practical innovation, the San Francisco based firm has garnered a widespread reputation for applying traditional concepts of American urbanism to create contemporary projects that bring enduring new vitality to their communities.

Rounding out the design team is Los Angeles based Langdon Wilson which has created theme parks, resort developments, educational and high-tech facilities, conference centers, and many other facilities in locations throughout the world. The firm's portfolio includes a diversity of award-winning projects with a construction value in excess of 12 billion dollars.

II. PURPOSE OF REQUEST

The Amendment seeks to incorporate a modification to the PRC amended development standards to reflect the refined plans and vision for One Scottsdale. Additionally, the Amendment will clarify the governance of development standards and the application of those development standards as they relate to One Scottsdale. It is important to note that no increases in density (residential units) or commercial intensity (square footage) are being requested with this Amendment. Additionally, although the plans for Planning Unit III, while not fully developed, is for residential with a boutique hotel, the modification to the PRC amended development standards will not effect development within Planning Unit III.

Planning Unit II is being planned for commercial and office uses with an integration of residential units and a hotel. As detailed planning and design of One Scottsdale has ensued and with forward thinking of the renowned land planning and architectural team, the vision for Planning Unit II in particular has been elevated to emulate some of the most vibrant and significant spaces and commercial activities areas in the Country. The vision, as planned, will result in the creation of an environment and place unlike anything in the region and worthy of international attention and acclaim.

The architectural and place making concepts for One Scottsdale will result in the creation of architectural diversity and iconic monuments that will compliment the general area and create a mecca of excitement for the City specifically and the region generally. In order to achieve this bold and exciting environment, a modification to the ADS is necessary. The modification is to the building heights allowed within Planning Unit II. Specifically, the modification would be to continue the maximum building height just north of Center Drive to the majority of Planning Unit II. The existing height limitation, just north of Center Drive within Planning Unit III, was agreed upon with the immediately neighboring community of Grayhawk, and memorialized within the existing ADS. The area south of Center Drive within Planning Unit II does not have an elevation restriction, but rather a maximum building height. This Amendment would allow the building height for certain areas within Planning Unit II to be at a maximum elevation of 1715 feet. A graphic indicating the area is attached at **Tab 3**. Additionally, DMB is limiting the maximum building height to what was approved in the 2002 Case for the first 300 feet of the western boundary of the Property (as measured from the centerline of Scottsdale Road).

Recognizing the initial height limits contained in the Development Agreement and the sensitivity to height in this area of the City, DMB has carefully and thoughtfully considered the need and purpose for additional height. Given the strong emphasis on design and architecture as an art form, additional height in some areas of Planning Unit II is necessary to provide diversity and architectural interest and to create interesting massing and articulation. To that end, DMB has carefully studied the site to determine specific locations for additional height in an effort to provide better definition to the City and surrounding areas. With this in mind and together with DMB's mission to design a community appropriate for today that will leave a proud legacy, a request for an increase in building height is being made.

In addition to the above noted modification to the ADS another purpose of the Amendment is to clarify the governance of development standards for One Scottsdale, specifically, the treatment of the mixed-use areas of One Scottsdale for purposes of the application of development standards. The Development Agreement expressly provides for ownership of areas of One Scottsdale by separate entities for business and maintenance reasons. The Amendment clarifies that if areas of One Scottsdale are subdivided into numerous parcels, and regardless of ownership, such areas should be treated as a whole for purposes of the City Zoning, Building and Fire Codes, including development standards.

III. JUSTIFICATION FOR REQUEST

A. THE REQUEST IS IN CONFORMANCE WITH THE ORIGINAL PLANNING CONCEPT AND VISION AS APPROVED BY THE CITY IN THE 2002 CASE.

The Amendment is consistent with the vision set forth in the 2002 Case and is appropriate and necessary in order to realize the planning and design concepts envisioned for One Scottsdale. Specifically, the Amendment is a result of the evolution and refinement in the design and planning for *One Scottsdale*. In order to achieve the unique development proposed in the 2002 Case, one (1) modification to the ADS is necessary. Importantly, it should be emphasized that no increases in residential density or commercial or employment intensity are proposed. Development parameters as set forth in the approved Zoning Map and Land Use Budget will continue to serve as constraints for development of the Property.

B. THE REQUEST IS IN CONFORMANCE WITH THE GENERAL PLAN.

The development of One Scottsdale, as proposed, is in conformance with the General Plan land use designation for the Property. In addition to underlying land use designations, the Regional Use overlay was placed on the Property in 1992. The Regional Use overlay is intended to provide "...flexibly for land uses when it can be demonstrated that new land uses are viable in serving a regional market. Regional uses include, but are not limited to, corporate office, region serving retail, major medical, education campus, community service facilities, tourism and destination attraction uses." The existence of the Regional Use overlay and the goals of the General Plan provide a vehicle to incorporate these residential densities throughout the site to

create the vibrant mix of regional commercial and residential uses envisioned by the General Plan.

In addition to being consistent with the land use designations, One Scottsdale implements many of the values, visions, goals and policies contained in the General Plan. Specifically, the development plans promote a mix of uses which integrate residential, commercial and office uses to an extent not yet seen in the Phoenix metropolitan area. The project will demonstrate that Scottsdale is in the forefront of innovative development through its General Plan policies by creating a development where the “live, work and play” concept is taken beyond rhetoric to reality. Not only will these goals be realized, they will be accomplished by preserving a high quality of life that defines Scottsdale’s character.

C. REQUEST IS CONSISTENT WITH PRC ZONING PURPOSE

The proposed Amendment consistent with the stated purpose of the PRC zoning as contained in the City Zoning Ordinance and as restated herein:

...provide for a broad variety of general merchandise, and services in full depth and variety within a planned commercial [regional] center, which may include office and residential uses carefully interrelated by design to assure that the uses compliment each other and the whole mixed use complex.

The design of One Scottsdale, with the modification proposed herein, will fulfill the stated purpose of the PRC zoning district and underscore the advantages of its flexibility as it relates to development of a thoughtfully planned mixed use project.

D. REQUEST FOR INCREASED HEIGHT IS APPROPRIATE AND NOT DETRIMENTAL TO SURROUNDING PROPERTIES

The request for additional height has been carefully considered. Given the falling elevation of the Property as you proceed from Thompson Peak Parkway south to the Loop 101, increases in height are appropriate. While building heights will increase, no buildings will be above an elevation of 1715 feet, which is a benchmark height established in the 2002 Case. In fact, from most vantage points, the proposed heights will be consistent with existing structures. Furthermore, all buildings will be less than 100 feet in height.

Additionally, the location of the buildings which will take advantage of height up to 1715 feet in elevation has been thoughtfully located in appropriate areas within the core of Planning Unit II. These locations have been specifically selected to minimize impacts to surrounding property owners, yet allow for the needed architectural articulation and diversity.

E. REQUEST FOR INCREASED HEIGHT IS APPROPRIATE GIVEN THE PROXIMITY TO THE LOOP 101

One Scottsdale is located at the intersection of the Loop 101 and Scottsdale Road, one of the busiest transportation corridors in the Valley. Given its location, One Scottsdale is uniquely positioned to carry slightly taller buildings than elsewhere in the City. The existence of the Loop 101 creates a smooth transition in height from the east to the designated Core area across Scottsdale Road in the City of Phoenix.

F. REQUEST FOR INCREASED HEIGHT IS IN CONTEXT WITH THE EXISTING AND ALLOWED DEVELOPMENT IN THE AREA.

The Property is surrounded by undeveloped land to the south, west and a portion of the property to the east. A context map is attached at **Tab 4**. To the north of the Property is the Discount Tire corporate headquarters at a building height elevation of 1710 feet. Adjacent to the Discount Tire headquarters, the Scottsdale Healthcare hospital is under construction at a building height elevation of 1724 feet. Immediately east of the Property is a Classic Residence by Hyatt as well as the Villages of Grayhawk, a condominium development. Approximately two-thirds of the land adjacent to the east of the Property is undeveloped, owned by the Arizona State Land Department ("ASLD") and has entitlements for a mix of commercial, office and residential uses up to a maximum building height of sixty (60) feet. To the south of the Property is Loop 101. The property directly west and northwest, across Scottsdale Road and within the City of Phoenix, is undeveloped and is also owned by the ASLD. This area is commonly referred to as "Palisene" and is planned for a regional mall, offices and a resort. Additionally, this area of Phoenix is designated as a Core area with the mid-rise overlay which allows a maximum building height of 190 feet.

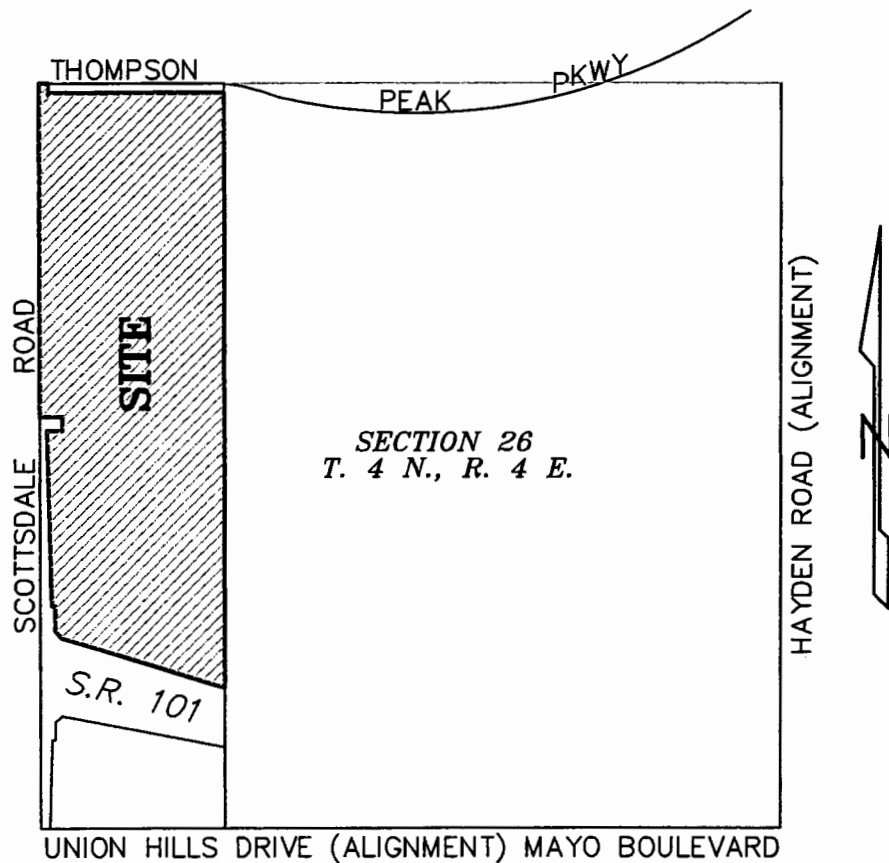
As noted, there is a mixture of commercial and multi-family existing uses surrounding the Property. The undeveloped land surrounding the Property is entitled for intense and dense development as is approximate for the location.

IV. SUMMARY

The modification of the building height development standard will allow the development of a vibrant and high quality architectural environment that will enhance the surrounding area and be a destination of choice for the residents of Scottsdale and the Valley, as well as visitors to the area. One Scottsdale will be a signature destination for Scottsdale. In order for Scottsdale to attract several new high-end retailers, it is imperative to allow for a development that will be strong enough to carry iconic brands from around the world.

Further, approval of the Amendment will fundamentally change the performance of the land, now and for future generations. These changes will provide greater articulation in the building architecture and massing and position One Scottsdale as being worthy of the ultra-luxury retail brands not currently found in Arizona. The Amendment provides flexibility in the design of One

Scottsdale, without the need to increase the density or intensity of the project. The approval of the Amendment will result in the ability to attract the high-end types of users to make One Scottsdale a successful project for the community.



VICINITY MAP

N.T.S.

PRELIMINARY NOT
FOR CONSTRUCTION
OR RECORDING

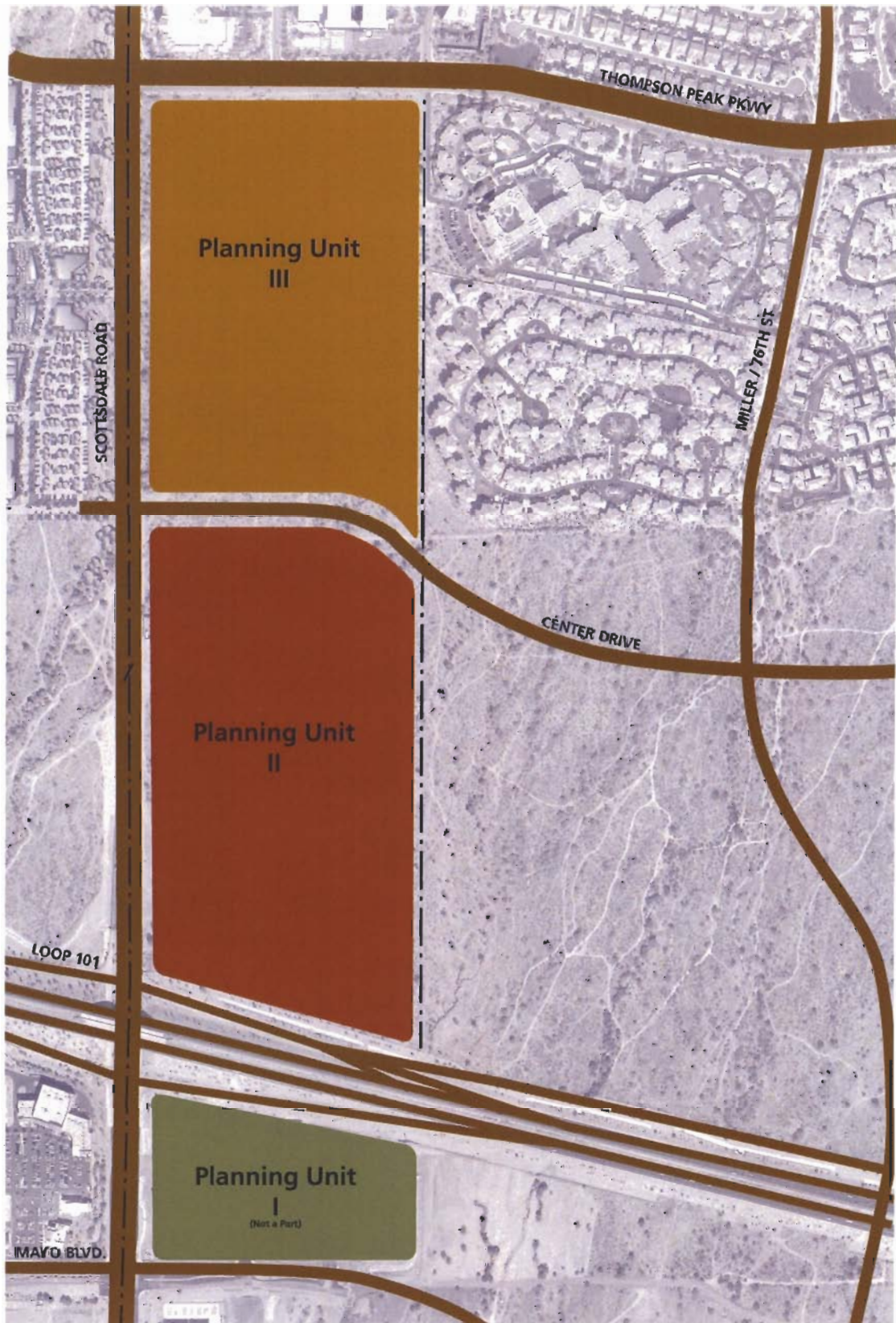
ONE SCOTTSDALE

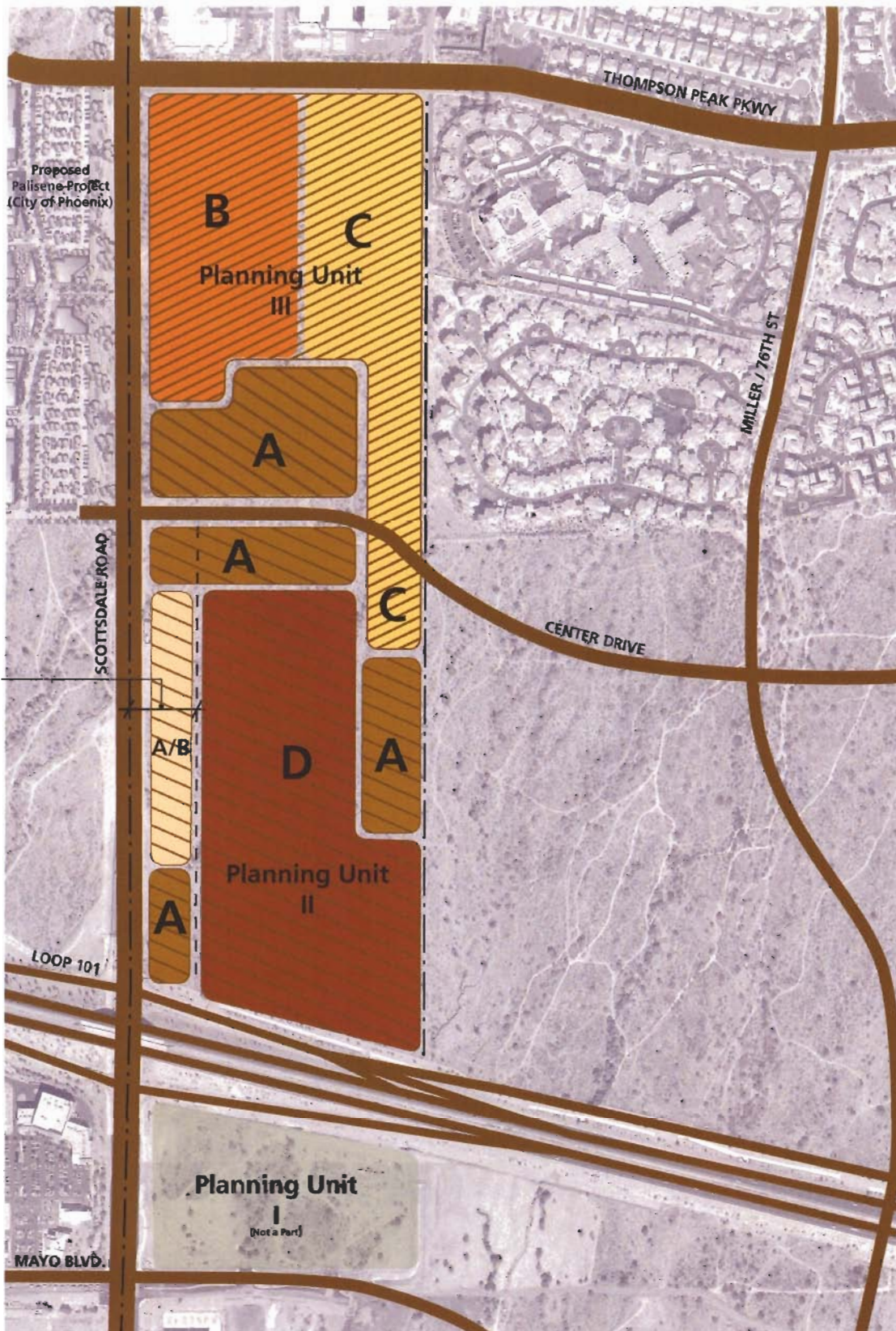
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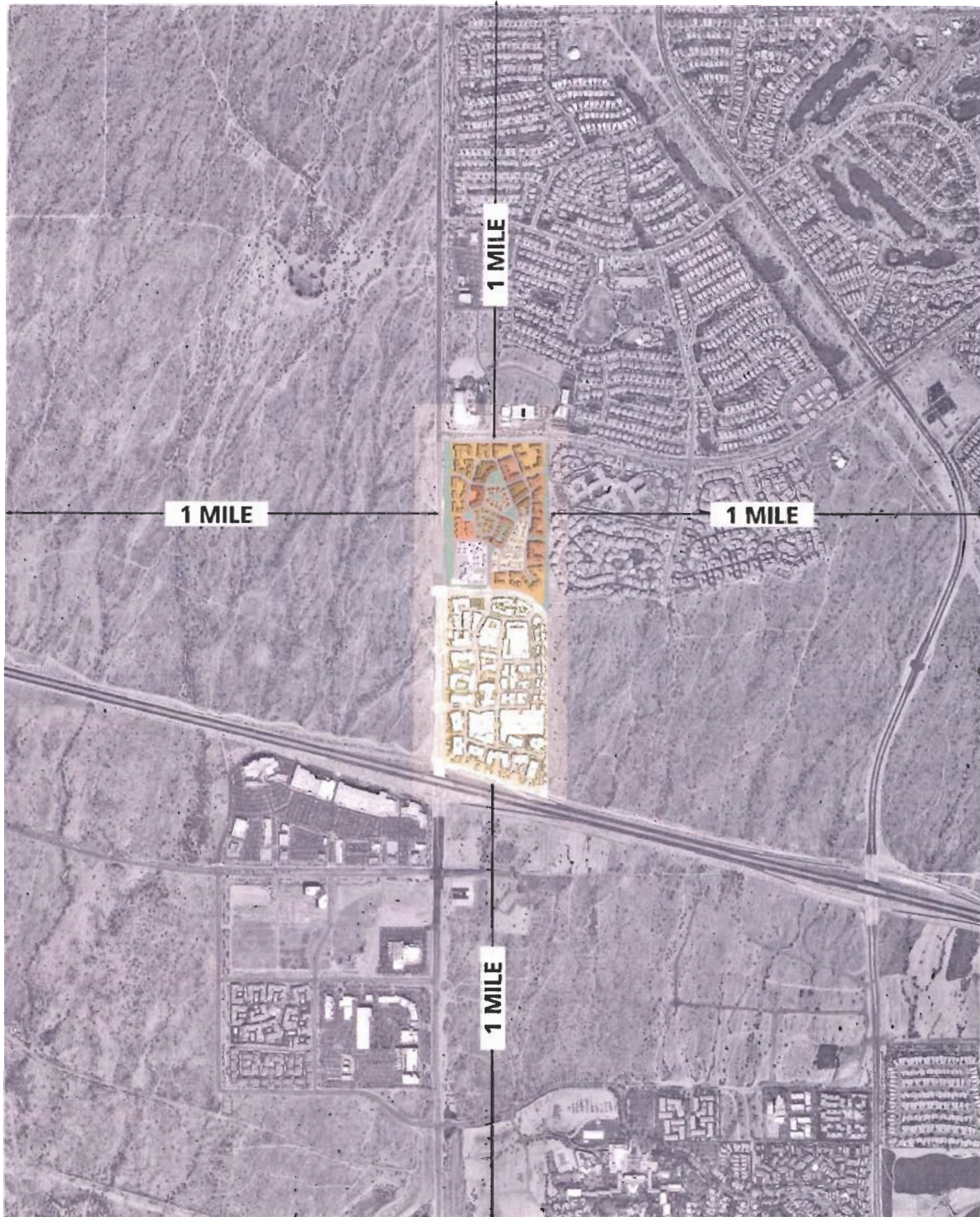
VICINITY MAP

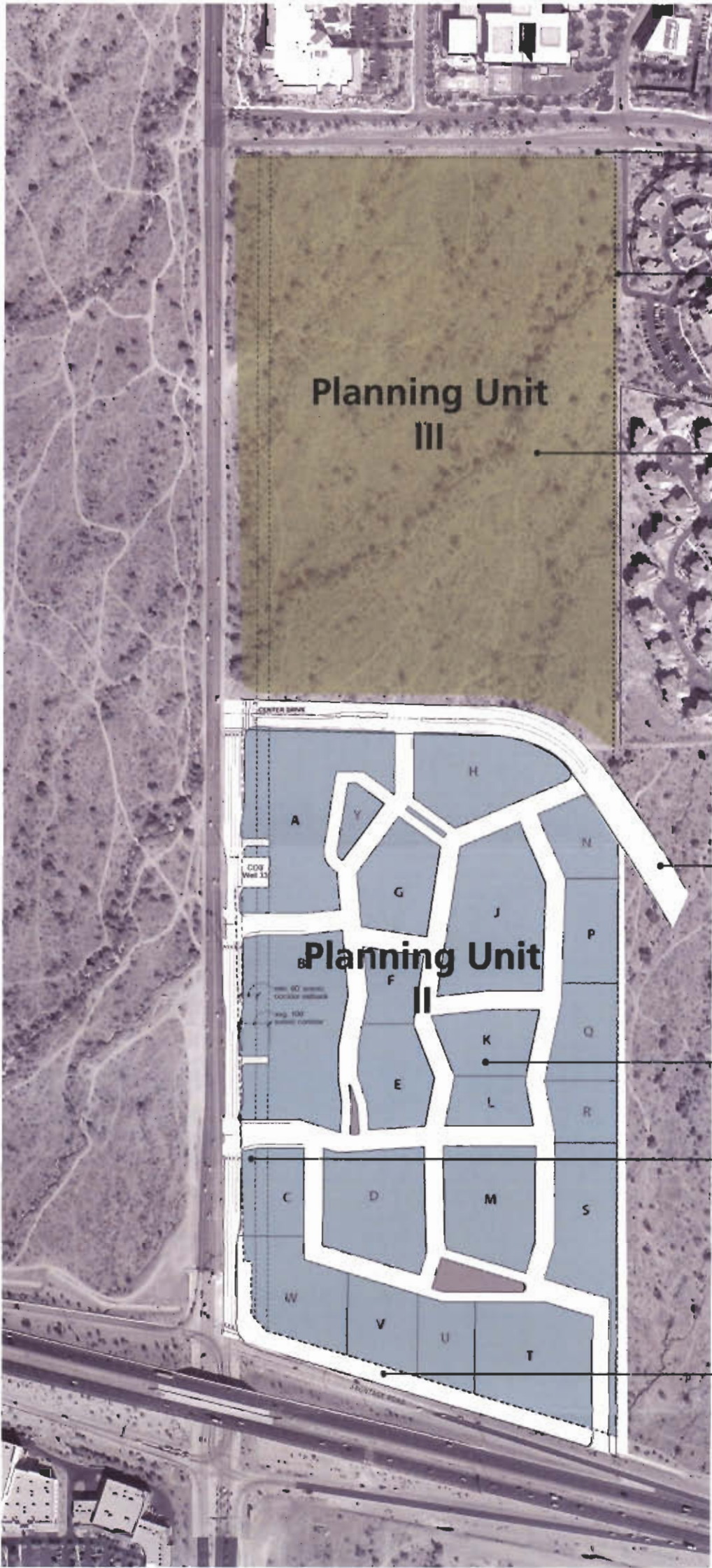
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- | | |
|--|--|
| A 50' Maximum Height | D Max. Height not to exceed 1715' Elevation |
| A/B 60' Maximum Height with some structures at 45' Maximum Height | Maximum Height not to exceed 1710' Elevation |
| B 45' Maximum Height | Maximum Height not to exceed 1715' Elevation |
| C 36' Maximum Height | |





Minimum 30'
Landscape Buffer

Open Space Buffer

A site plan will be
submitted for DRB
approval for a
future date in
conformance with
Case #20-ZN-2002

Future Center Drive
continuation to
Hayden Road

Conceptual Site Plan
approved by DRB on
March 2, 2006

Minimum 60'
Scenic Corridor along
Scottsdale Road

Open Space Buffer